GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:1842
ANSWERED ON:29.11.2007
VIABILITY STATUS OF UNITS UNDER BVFCL & APL
Sarma Dr. Arun Kumar

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the viability status of the units under Brahmaputra Valley Fertilizer Corporation Ltd. (BVFCL) and Assam Petrochemicals Ltd. (APL);

(b) whether any programme for revamping and expansion the units under BVFCL and APL is under consideration of the Government;

(c) if so, the details thereof indicating the total outlay, amount earmarked and target set for their commissioning during the Eleventh Plan Period; i

(d) whether any proposals for supporting the ongoing activities of ihese two old PSUs are opening for clearance; and

(c) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI B.K, HANDIQUE)

(a) to (e): The Namrup units of M/s. Brahmaputra Valley Fertilizer Corporation Ltd. (BVFCL) are not economically viable under the New Pricing Scheme for urea units in the country. The company is making losses due to low energy efficiency of its units and inadequate availability of gas for 100% capacity utilisation of its units at Namrup.

The revamp of Namrup-II & Namrup-III units was undertaken during the Tenth Plan period and has already been completed in November 2005. The company has asked for some special dispensation under the New Pricing Scheme for making its operations economically sustainable. The company has asked for higher energy preset norm at 12.70 Gcal per MT for Namrup-II unit and 12.78 Gcal per MT for Namrup-III unit. It has also asked for recognition of capital investment in the plant beyond the cut off date of March 2003 under New Pricing Scheme for urea units, for finalisation of its concession price. The proposal of the company is being looked into by the Government.

There is no public sector undertaking by the name of Assam Petrochemicals Ltd. (APL) under the Ministry of Chemicals & Fertilizers.